



OFFICE OF THE COUNTY EXECUTIVE

# Chris Abele

MILWAUKEE COUNTY EXECUTIVE

**For Immediate Release**

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## ***Milwaukee County Uncovers Pension Miscalculation***

**MILWAUKEE** – Thanks to some detective work by the Milwaukee County Employees' Retirement System (ERS) we have discovered the computer software that processes pension payments, including backdrop payments, has underpaid 601 employees, who retired between 2009 and February 2012, some of the money they were owed.

In total the shortage is \$304,000, an average of \$505 per person.

We are still investigating exactly how this happened, but it appears there was an error in the programming of the computer software (V3 Systems) that was signed off on in 2007; the software went live in 2009.

The pension program undergoes an external audit every year. In addition, the pension program recently completed an internal audit. Neither the external nor internal audit identified this problem but ERS noticed a discrepancy between projected payments and actual payments and started looking into the issue. They first discovered a problem March 1 and later tracked down the likely source to a computer code specification that was not properly written.

Letters to the 601 retirees will be sent out shortly letting them know about the situation and checks will follow in a few weeks. The money will be paid from the pension fund which is currently funded at over \$1.8 billion.

The code will be fixed and backdrop payments adjusted for all future checks.

Catching this error is in line with my directive to all my managers and administrators to seek out and uncover problems in their departments.

I applaud Marian Ninneman and Matt Hanchek for their diligent work in catching this error. This is an unfortunate situation but it's important we let people know about it and continue our effort of open and transparent government.

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